FEDERAL MEDIATION AND CONCILIATION SERVICE
UNITED STATES GOVERNMENT
UPPER MIDWESTERN REGION

HONEYWELL INTERNATIONAL,

EMPLOYER

-AND-

GRIEVANCE ARBITRATION
FMCS Case No. 071010-50252-7
ARBITRATOR'S AWARD

TEAMSTERS LOCAL 1145,

UNION.

ARBITRATOR:	ROLLAND C. TOENGES
DATE OF GRIEVANCE:	December 12, 2005
DATE OF HEARING:	May 29, 2007
RECEIPT OF POST HEARING BRIEFS:	July 2, 2007
CLOSE OF HEARING RECORD:	JULY 23, 2007
DATE OF AWARD:	August 21, 2007

ADVOCATES

FOR THE EMPLOYER:	FOR THE UNION:
Chuck Bengtson, Mgr. Labor Relations Honeywell International	John Dillon, Attorney Hughes & Costello

WITNESSES

Jim Hargreaves, Supervisor Curtis LaClaire, H R Manager	Darwin D. Johnson, Inspector John Veldey, Retired Rose Jelinek, Retired Ruth Penny, Inspector

ALSO PRESENT

Martin Costello, Attorney
Hughes & Costello

Amanda R. Cefalu, Attorney
McGrann Shea Anderson Carnival
Straughn & Lamb

Gary Dahlheimer, Area Chief
Vicki Hansen, Assembler
Mike Vincent, Plant Steward

ISSUE[1]

Is the grievance filed on behalf of Rose Jelnick and Ruth Penny arbitrable?

If so, did the Employer violate the Collective Bargaining Agreement by assigning sort of printed circuit cards, from a third party vendor, to employees in Group 38 assembly rather than to inspection employees in Group 6A?

If so, what is the appropriate remedy?

JURISDICTION

The matter at issue, regarding interpretation of terms and conditions of the Collective Bargaining Agreement (CBA) between the Parties, came on for hearing pursuant to the grievance procedure contained in said agreement. The Grievance Procedure (Article XV)[2], provides in relevant part as follows:

> "Step 3. Grievances referred to Step 3 shall be discussed between the Business Agent of the Union and the Director of Industrial Relations or their delegated authority. If settlement is not reached within five (5)[3] working days after the grievance has been referred to this Step 3, the grievance may be referred in writing to arbitration (Step 4). The written request for arbitration shall be sent to the Arbitrator with a copy to the other party and shall clearly state the issues involved together with the relief sought. If the grievance is not referred to arbitration (Step 4) with

[1] The Parties were not in agreement on the appropriate issue statement. Therefore, the Arbitrator has fashioned an issue statement that best represents the matters in dispute.
[2] The Grievance Procedure appears as Article 18, in the CBA effective January 31, 2007.
[3] This time limit was changed to ten (10) days in the CBA effective January 31,2007

twenty (20) working days after the disposition of the Director of Industrial Relations or his or her delegated authority has been delivered to the Union, the settlement set forth in the disposition shall be final and binding.

Step 4. Not less than Ten (10) working days shall elapse from the date of written request for arbitration before a grievance, including discharge cases, shall be arbitrated; provided the parties may mutually agree to exceptions to this provision of Step 4.

It is agreed that Arien Christenson shall act as arbitrator[4]. The authority of the Arbitrator shall be limited solely to the determination of the questions

[4] The Parties via an Agreement dated March 27, 2006/April 11, 2006 amended the designation of Arbitrator and made other changes as follows:

> "WHEREAS, Article XV, Section 2, Step 4 provides for a single, named arbitrator to hear, try and determine any grievances submitted to arbitration, and the original arbitrator named in the Agreement has retired, and the substitute arbitrator's service have been terminated by the parties; and
>
> WHEREAS, it is therefore necessary for the parties to amend Article XV, in order to provide the method of selecting arbitrators to hear, try, and determine grievances submitted to arbitration under Article XV, Section 2, Step 4.
>
> NOW, THEREFORE, it is hereby stipulated and agreed between the parties to the Agreement that Article XV be amended [in part relevant to arbitration] to read as follows:
>
> > Step 4. Not less than ten (10) working days shall elapse from the date of written request for arbitration before a grievance, including discharge cases, shall be arbitrated; provided the parties may mutually agree to exceptions to this provision of Step 4.
> >
> > It is agreed that the requesting party must request in writing from the Federal Mediation Conciliation Service (FMCS), a regional arbitration panel of no less than seven (7) working days from the date of its written notice requesting arbitration. Representative of the Union and the Company will meet either in person or via teleconference to select an arbitrator. In the event the parties cannot agree on an arbitrator, the choice shall be made by the alternate strike method. The person whose name is not struck shall be named as arbitrator. The determination of who goes first shall be on a rotation basis. Each party shall have the right once on each arbitration case to request a new panel from the FMCS. After a case on which the arbitrator is empowered to rule hereunder has been referred to him, it may not be withdrawn by either party except by mutual consent.
> >
> > An arbitrator for a particular hearing shall be notified by the parties of the mutually agreed upon time and place for the hearing. Each party may submit pre- and post-hearing briefs to the arbitrator, which state the position of the parties and furnish to the arbitrator any arguments in support thereof. If either party submits briefs or other written arguments to the arbitrator prior to, during,

> as submitted in Step 3, provided that the Arbitrator shall refer back to the parties without decision any matter not a grievance under Section 1[5] of this article or which is excluded form arbitration by the terms of Section 3 herein.
>
> The Arbitrator shall have no power to add to, or subtract from, or modify, any of the terms of this Agreement, or any agreement made supplementary hereto.
>
> The Company and the Union shall set the time and place of hearing. Hearing dates will be subject to the approval of the Arbitrator. Whenever possible, hearings will be held at least every 90 days. The Arbitrator's decision shall be final and binding upon the Company, the Union and employees within the bargaining unit. The expense and fees of the Arbitrator shall be borne jointly by the Company and the Union.
>
> Section 3. It is agreed that the following shall not constitute issues for arbitration: (a) supervision and direction of the working force, (b) schedules of production, methods and processes of manufacturing, (c) the terms of a new agreement."

The Parties selected Rolland C. Toenges as the Arbitrator to hear and render a decision in the interest of resolving the disputed matter.

> or following the hearing, the other party will be furnished with copies of such material simultaneously with its being furnished to the arbitrator.
>
> The authority of the Arbitrator shall be limited solely to the determination of the questions as submitted in Step 3, provided that the Arbitrator shall refer back to the parties without decision any matter not a grievance under Section 1 of this Article or which is excluded from arbitration by the terms of Section 3 herein.
>
> The Arbitrator shall have no power to add to, or subtract from, or modify, any of the terms of this Agreement, or any agreement made supplementary hereto.
>
> The Company and the union shall set the time and place of hearing. Hearing dates will be subject to the approval of the Arbitrator. The Arbitrator's decision shall be final and binding upon the Company, the Union and Employees within the bargaining unit. The expense and fees of the Arbitrator shall be borne jointly by the Company and the Union.
>
> Section 3. It is agreed that the following shall not constitute issues for arbitration: (a) supervision and direction of the working force, (b) schedules of production, methods and processes of manufacturing, (c) the terms of a new agreement."

[5] "Section 1. A grievance is any controversy between the Company and the Union (or between the Company and an employee covered by this Agreement) as to (1) interpretation of this Agreement, (2) a charge of violation of this Agreement, or (3) a charge of discrimination involving wages, hours, or working conditions resulting in undue hardships."

The Arbitration hearing was conducted as provided by the terms and conditions of the CBA and the Federal Mediation and Conciliation Service. The Parties were afforded full opportunity to present evidence; testimony and argument bearing on the matter in dispute and to cross-examine witnesses. All witnesses were sworn under oath.

The hearing record was held open for 21 days pending reply briefs or any further submission by the Parties. Being none, the hearing was closed effective July 23, 2007.

No request was made for a stenographic record of the hearing. The Parties stipulated that there are no procedural objections and the matter is properly before the Arbitrator for decision.

BACKGROUND

Honeywell International, Inc. (Employer) is a diversified technology and manufacturing corporation, serving customers worldwide with aerospace products and services: control technologies for buildings, homes and industry, automotive products, turbochargers and specialty materials.[6]

The Company ranks among the nations largest and is divided into different geographic operations areas. The different operations areas function as relatively independent units. One of these is the Minneapolis Operations Area where the instant grievance matter arose.

The Employer operates in a global market and is under increasingly competitive pressure to maintain its presence in the local area. Due to a wide variety of business factors over the years, the number of employees has shrunk from over 20,000 to approximately 4,000.

Approximately 1,700 of the employees are unionized, including the grievants named in the instant grievance matter. The unionized production employees are members of the International Brotherhood of Teamsters, Local No. 1145 (Union). The Union and Employer have a lengthy collective bargaining history.

The Collective Bargaining Agreements (CBA's) relevant to the instant grievance are those in effect from February 1, 2002 through January 31,2007[7] and in effect from February 1, 2007 through January 31, 2010[8]. The Parties negotiated a separate grievance procedure that supplants the one in the February 1, 2002 through January 31, 2007 CBA.[9]

In addition to the above referenced CBA's, the Parties have entered into several additional agreements referred to as "Transfer Agreements." These transfer agreements

[6] Union Exhibits #3A, 3B, 3C & 3D.
[7] Joint Exhibit #1.
[8] Joint Exhibit #2.
[9] Joint Exhibit #3. (See footnote #3 for relevant provisions)

specify how employees establish and maintain seniority within the different job classifications and how employees move between the different job classifications. Transfer Agreements covering employees subject to the instant grievance are the "Inspection Transfer Agreement,"[10] the old "Assembly Transfer Agreement,"[11] and the new "Assembly Agreement."[12] Individual work duties and assignments for each job classification are outlined within job descriptions.[13] Other side agreements and letter agreements address how job openings in Assembly and Inspection are to be filled and define the duties and types of work to be assigned the various labor grades.[14]
The facility where the instant grievance matter arose, Coon Rapids, produces inertial reference units for aircraft. Among other functions, these guidance systems control, communicate and record the navigation of military and commercial aircraft.

In the past inertial reference units were made using a "batch" production process. Under this process, parts and subassemblies were given a very thorough inspection when arriving at the facility by receiving inspectors. Under the "batch process," parts or subassemblies are checked against blueprints and specifications to ensure they are in compliance and there are no defects. This inspection process involves many steps and the use of electrical equipment, microscopes and other testing devices.[15]

After receiving inspection, compliant parts or subassemblies are sent to production areas where other employees assemble the inertial reference units. Once a batch was made, the complete units were inspected in shipping prior to transport to customers.

When using the "batch" process, employees were segregated by job classification and specific work area. Employees did not cross their specified work area to work in another area.

Around the mid 1990's, the Employer determined that the "batch" process was unduly slow and cumbersome and, in the interest of increasing efficiency, changed to a "line flow" process. In the "line flow" process, parts and subassemblies still may go through a receiving inspection process. However, a change was made that, under certain conditions, allows parts and subassemblies to be routed directly from the receiving dock to the assembly area bypassing inspection by receiving inspectors.

This procedure of routing parts and subassemblies directly from the receiving dock to the assembly area without receiving inspection is referred to as the "Dock to Stock" policy.[16] The "Dock to Stock" procedure is limited to parts and subassemblies from suppliers who have been "Certified" as vendors of reliable products. Once a vendor has been certified in compliance with the Employer's standards, the products from that vendor do not have

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[10] Joint Exhibit #4.
[11] Joint Exhibit #5.
[12] Joint Exhibit #6.
[13] Union Exhibits #13, 15A, 15B, & 15C.
[14] Union Exhibit #11, 12 & 14.
[15] Employer Exhibits #8 & 9.
[16] Union Exhibits #10A, 10B, & 10C.

to undergo a receiving inspection and are routed directly from receiving to assembly. Product from vendors not certified must still go through receiving inspection.

In the assembly area, the process is for each employee to add a part or subassembly in assembly line fashion until the inertial reference unit is complete. Each employee is responsible for inspecting the work of the previous employee, assembles another part or subassembly and passes the unit on to the next employee.

A job description was created for employees assembling the inertial reference units, specifically requiring them to perform inspection on the products they assemble.[17] In relevant part, the job description provides as follows:

> "JOB DUTIES: 3. Set-up and performs TQC's, visual, mechanical, and electrical checks on parts, sub-assemblies and devices. Check quality of parts being run, repositions, realigns and fastens tools and fixtures. Replace broken or bent tools and makes necessary adjustments to keep machines in operation."

Job descriptions have also been established for other classifications, including Inspector and Assembler.[18]

The Employer states that the "Line Flow" process has resulted in increased quality and efficiency. The Coon Rapids facility was awarded "Facility of the Year" in 2006. The award, based on quality as well as other factors, compares numerous facilities around the globe.

The Employer has developed a policy to address "pattern faults."[19] A pattern fault is when the exact same defect occurs in a part or subassembly three or more times. When a pattern fault is observed, the assembly process is stopped to investigate the matter. The result of the investigation is recorded in an investigation report.[20] A pattern fault solution is then issued to employees through a Special Work Authorization (SWA).[21] The SWA provides assembly employees with specific direction on how to sort for and /or repair the known pattern fault. The pattern fault sort is a visual check for a specific known and identified defect. This differs from receiving inspection where the part or subassembly is subjected to a through inspection for compliance with all specifications.

Pattern faults have occurred over the years among both parts from vendors and parts made within the Employer's own facilities. Assemblers have been responsible for identifying pattern faults on parts and subassemblies made within the Employers own facilities as these parts and assemblies generally do not come through receiving inspection.

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[17] Union Exhibit #15A.
[18] Union Exhibit #13, 15A & 15C.
[19] Employer Exhibit #5.
[20] Employer Exhibits #3 & 4.
[21] Employer Exhibit #6.

Until mid 2005, the Employer manufactured the circuit boards used in the inertial reference unit at its Coon Rapids facility. The Employer then began purchasing them from a company called Celestica. The Employer made the decision to purchase them from Celestica after consultation with its major customers and entering into an agreement with the Union that allowed for the outsourcing. The agreement with the Union, referred to as the "ACE Agreement," allowed the Employer to subcontract the production of circuit boards and "the associated support currently done in house and subcontracted," in return for a monetary payment to affected Union members.[22]

The circuit board vendor, Celestica, became a certified vendor under the Dock to Stock policy, whereby circuit boards produced by them do not require receiving inspection. However, in late 2005, a pattern fault was found in circuit boards received from Celestica. An investigation was conducted and the problem identified. Rather than return the circuit boards to Celestica, a SWA was issued and Union employees were assigned to correct the defect in order to maintain production schedules.

On December 12, 2005, a grievance was filed on behalf of Union members Rose Jelinek and Ruth Penny.[23] The grievance was as follows:

> "The Union disagrees with the jurisdictional violation of group 38 and group 6A. Group 38 is doing 6A work when it comes to Pattern Fault & rework. Work is being assigned by people not familiar with Union jurisdictions. Also company going against their own Quality Manual."

The Employer's Step 1 response was as follows:

> "Coon Rapids has a long standing practice that when known issues arise that it is within our rights to assign Group 38 to sort assemblies. It is not a violation of the Quality Policies. The Company's position should be no contract violation and the work was properly assigned."

The Employer's Step 2 response was, in relevant part, as follows:

> At our step 2 meeting held 1/25/06, the Company explained that there was no violation of jurisdictional scope and that the work assigned to group 38 was a visual sort and not an inspection. The Union then clarified that the primary issue of the grievance was with the violation of Company's dock to stock policy, which occurs when a non-compliant part is certified as a compliant part without being returned to the vendor.
>
> I have reviewed and investigated the Union's allegations and the Company's policies. Based on the discussions that occurred at the Step 2 meeting, it is undisputed that there was no violation of jurisdictional scope and that work was correctly assigned as a visual sort and not an inspection of any kind. I also found

[22] Employer Exhibit #2.
[23] Union Exhibit #6/Joint Exhibit #7.

> that the union's allegations are correct regarding the violation of the Company quality manual's dock to stock policy. I wish to express genuine appreciation to the Union for bringing this issue to light. Product quality is of the utmost importance to us. As a result of my investigation, we now have a plan in place to mitigate any future non-compliance. However, the fact remains that our internal quality policy mishaps do not violate the terms and conditions of the collective bargaining agreement between Honeywell International, Inc. and Teamsters Local 1145.
>
> For the foregoing reasons, this grievance remains denied."

Subsequent to the Step 2 meeting, the Employer amended the Dock to Stock policy, which addressed the policy violation concerns voiced by the Union.[24] However, the Union chose not to withdraw its grievance on the jurisdictional issue, which brings the matter to the instant arbitration proceeding.

ISSUE STATEMENTS

I-1. Employer's statement of the issue in dispute.

I-2. Union's statement of the issue in dispute.

JOINT EXHIBITS

J-1. CBA, effective February 1, 2007 through January 31, 2010.

J-2. CBA, effective February 1, 2002 through January 31, 2007.

J-3. Letter of Agreement, modification to Grievance Procedure, 3/27/06, 4/11/06

J-4. Assembly Inspection Transfer Agreement, January 31, 1977 (missing pgs. 2,4,6,8)

J-5. Assembly Seniority Group Transfer Agreement, June 8, 1979.

J-6. Letter of Agreement, Re: job postings and reductions, April 2, 2007.

J-7. Grievance of Ruth Penny and Rose Jelinek, December 12, 2005

UNION EXHIBITS

U-1. CBA, effective February 1, 2002 through January 31, 2007.

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[24] Union Exhibit #10C.

U-2. Letter of Agreement, modification to Grievance Procedure, 3/17/06, 4/11/06

U-3A. Honeywell history and background information.

U-3B. Honeywell background information.

U-3C. Honeywell financial information.

U-3D. Honeywell Annual Balance Sheet, 2001 through 2005.

U-4. Information from Celestica Web Site.

U-5. Seniority List.

U-6. Grievance of Ruth Penny and Rose Jelinek, December 12, 2005.

U-7. Employer's second step grievance response, February 23,2006.

U-8. Union notice of appeal to arbitration, May 17, 2006.

U-9. Appointment of Arbitrator, October 22, 2006.

U-10A. Dock to Stock Procedure – Commercial Aviation Products, March 31, 2003.

U-10B. Dock to Stock Procedure – Aero Space, April 17, 2006.

U-10C. Dock to Stock Procedure – Aero Space – March 26, 2007.

U-11. Assembly Inspection Transfer Agreement #11, Issue 5 (missing pg. 9)

U-12. AERO Receiving Inspection Agreement, March 4, 1960.

U-13. Job Description – Auditor/Insp. Rec.-In Process-Final Device, August 9, 1995.

U-14. AERO Assembly Grading Agreement, January 19, 1959.

U-15A. Job Description – Avionics Assembler, January 15, 2001.

U-15B. Job Description – CAP Assembly Electronic Troubleshooter, January 15, 2001.

U-15C. Job Description – CAP G.L. Assembly Electronic Troubleshooter, 1/15/2001.

U-16. Commercial Receiving Inspection Report, Circuit Card, May 15, 2007.
CHRIS RI_LOT-QUERY FORM, Insp. 5/15/07. Shipping Label, May 15, 2007.

U-17. Commercial Receiving Inspection Report, Circuit Card, May 9, 2007
Commercial Receiving Inspection Report, Circuit Card, May 11, 2007
CHRIS RI_LOT_QUERY FORM, Insp. May 11, 2007 and January 9, 2007

U-18. Commercial Receiving Inspection Report, Circuit Card, July 24, 2006.
Commercial Receiving Inspection Report, Circuit Card, July 25, 2006.
CHRIS RI_LOT_QUERY FORM, Insp. 10/27/2005 through 12/8/2006.

U-19. CHRIS, IIR DETAIL, Rack Assembly – Wired No Lead, Revisions.
Commercial Receiving Inspection Report, Rack Assembly, February 7, 2006.
Commercial Receiving Inspection Report, Rack Assembly, February 20, 2006.
Commercial Receiving Inspection Report, Rack Assembly, February 20, 2006
Commercial Receiving Inspection Report, Rack Assembly, March 14, 2006.
Commercial Receiving Inspection Report, Rack Assembly, July 11, 2006.
CHRIS RI_LOT_QUERY FORM, Insp. January 4, 2006 through October 4, 2006.

U-20. Commercial Receiving Inspection Report, Circuit Card, April 12, 2006.
Commercial Receiving Inspection Report, Circuit Card, May 8, 2006.
CHRIS RI_LOT_QUERY FORM, Insp. April 12, 2006 through May 8, 2006.

U-21. Commercial Receiving Inspection Report, Circuit Card, January 26, 2006.
CHRIS RI_LOT_QUERY FROM, Insp. 1/26/06 through 12/18/06.

U-22. Assembly Record Card, March 29, 2007.
Certificate of Conformance and Assembly Record, March 13, 2007.
Special Work Authorization, Part #26017627-304, March 29, 2007.

U-23. Advanced Non-Conforming Material Report, ANCMR No. 5133, 2/8/2007.

U-24. Arbitration Awards:
A. Award S-24
B. Award S-41
C. Award S-245
D. Award S-283
E. Award S-976
F. Award S-1034
G. Award S-1039
H. Award S-1093
I. Award S-1377
J. Award S-1378
K. Award S-1443
L. Award S-192
M. Award S-401
N. Award S-573

U-25. Work Flow Diagram.

U-26. Work Flow Diagram.

U-27. Work Flow Diagram.

EMPLOYER EXHIBITS

E-1. Coon Rapids Transfer of Work Settlement (ACE) Agreement.

E-2. ACE – Estimated/Actual Severance Payments 08-04-06.

E-3. Pattern Fault #351, opened September 27, 2007 – closed December 19, 2006.

E-4. Pattern Fault #PF352, opened October 17, 2006, closed _____.

E-5. Procedure: Pattern Fault Procedure for Production Operations, Rev. 10/7/05.

E-6. Special Work Authorization, Circuit Card Assemblies, #6689, February 7, 2006.

E-7. Pattern Fault Log from 1993 Assembly – sorts by assembly, 1993.

E-8. IIR DETAIL, CCA Motherboard, AW/PS Critical, March 7, 2007.

E-9. IIR DETAIL, Circuit Card Assembly, February 19, 2007.

E-10. Teamsters Local Union No. 1145, Notice to Membership.

POSITION OF THE PARTIES

THE UNION SUPPORTS ITS CASE WITH THE FOLLOWING:

1. The Company has violated the CBA. It has transferred Group 6A inspection work to Group 38 Assemblers. Labor Group 38 Assemblers are performing inspection work properly belonging to Labor Group 6A Inspectors.

2. The Aerospace Assembly Grading Agreement (Union Exhibit #14) establishes and defines the duties of the different labor grades and sets forth the types of work in assembly. All of these agreements are subject to the grievance and arbitration procedure in the CBA.

3. If a vendor's product reveals a pattern fault, the DTS/Certified Vendor status is to be revoked. Thereafter, inspection of incoming product from that vendor is to be resumed by Group 6A receiving inspectors.

4. The outsourcing settlement agreement (Employer Exhibit #1) does not address inspection work.

5. Future receiving inspection was required after pattern faults were found in Celestica's products. According to Company policy, it should have been automatically removed from DTS/Certified Vendor status.

6. Instead, the Employer instructed Group 38 Assemblers to inspect the incoming circuit card assemblies for defects and possible repair and rework.

7. In December 2005, Grievants Jelinek and Penny observed that Celestica Circuit Boards were coming in marked "inspection required."

8. The Grievants subsequently discovered that Honeywell Non-Union Secretary, Barb. Comstock was processing the paperwork and marking inspections as completed without Group 6A Inspector involvement.

9. The Grievants went onto the production floor and observed Group 38 Assemblers performing inspections on the Celestica Circuit Boards using inspection tool such as scopes, black lights and micrometers.

10. Grievant Penny was approached by Group 38 Assemblers who wanted to know why the receiving inspectors were not doing the inspection work.

11. The Employer's argument that the written grievance did not address "receiving inspection" by name is without merit. Arbitrators emphasis substance over form to uncover the merits of a case.

12. "An Arbitrator might agree to hear the claims, for instance, if they involve a modified line of argument, a new element closely related to the original issue, a refinement or correction of the stated grievance, or introduction of new evidence, so long as the opposing party has had a fair opportunity to prepare to meet the claims." (ELKOURI & ELKOURI: HOW ARBITRATION WORKS, Alan Miles Ruben, ed., 6th ed. 2003)

13. Generally an arbitrator will hear even additional claims when the employer is "not in the dark or uninformed as to what [the] grievance was all about at the time it came to arbitration." (ELKOURI & ELKOURI: HOW ARBITRATION WORKS, 6th ed. Id. at 298)

14. The Union's Grievance communicated to the Company the nature of the dispute, which is clearly stated in the relief sought: that the proper work of Group 6A inspectors be returned to them.

15. From the very beginning of this dispute, the Company knew that the Grievance involved the transfer of 6A inspection work (both receiving and assembly inspection) to the 38 Assemblers in production.

16. Pursuant to the Company's own policy, pattern faults or defects in an outside vendors product that end the DTS/Certified status require receiving inspection of any subsequent shipments from that vendor.

17. Similarly, any rework that is done on a defective part by Assemblers must be inspected by Group 6A Inspectors.

18. The Company admitted assigning Group 38 Assemblers the work of "visually sorting" noncompliant parts (i.e. defective parts and those with pattern faults) received from Celestica.

19. In the step 2 response, the Company attempted to put words in the mouth of the Union by stating: "The Union acknowledged that the work assignment was in fact a visual sort and not an inspection." The Union never acknowledged the work being assigned to the Group 38 Assemblers was not an inspection.

20. The Company was fully informed of the issues and had ample time to prepare for arbitration. Thus, the Arbitrator should reject Honeywell's argument that the Grievance does not address receiving inspection.

21. "Although an employer may require employees t o perform work that is normally outside of their job classification, the employer may not require such work as a regular and continuing part of their jobs." (ELKOURI & ELKOURI, supra, at 702)

22. The Arbitrator cannot ignore the language of job descriptions that the Union and Employer have negotiated. The job description of Group 6A Inspectors clearly outlines the duties relating to the inspection of incoming purchased parts, in-process inspection, and final device inspection. (Union Exhibit #13)

23. Likewise, the Arbitrator cannot ignore the Group 38 Assembler tasks and duties set forth in their job description. It does not mention, describe, or direct Group 38 Assemblers to perform inspections at any step of the manufacturing process. (Union Exhibits #15A-15C)

24. The work of Group 6A Inspectors does not overlap with that of the Group 38 Assemblers, and thus cannot be reassigned by the Company to Group 38 Assemblers.

25. The Company's argument that a jurisdictional dispute can arise only between between two or more unions is erroneous. That the dispute is between groups

of workers in the same union does not invalidate the claim. The question is; are the members who have the rightful claim to particular work doing the work?

26. When the Company gives work that has been bargained for a specified group of workers to a different group of workers, the workers have a right to fight for their work.

27. An Assembler assembles, an Inspector inspects. For the Company to say it does not matter who does the work as long as a Local 1145 member does it is wrong. It flies in the face of the CBA between the Parties.

28. Moreover, the Company's Article 4, Management Rights, are limited by the CBA's wage, seniority, job descriptions, letter agreement, overtime provisions, and Union Recognition provisions.

29. Honeywell may not, under the CBA and past practice, unilaterally reassign or transfer negotiated job functions. See Indspec Chemn. Corp. and United Steelworkers of Am. Local 13300, 97-2 Lab. Arb. Awards (CCH) S. 3308 (Fagan, 1997)

30. Honeywell's practice of transferring inspection work to assembly has resulted in a loss of jobs and overtime to inspectors. The CBA requires that distribution of overtime shall be worked out in each department between the Union and Company. Overtime is to be distributed equitably with due consideration given to seniority. (Joint Exhibit #1, Article 7, Section 10)

31. The principle of equitable distribution overtime is supported by arbitration decisions. See e.g, Sewall Ger Mfg. Co. and United Steelworkers of Am., Local No. 2002-11, 03-1 Lab. Arb. Awards (CCH) S. 3433 (Bognanno, 2003) ("the parties have intended, in both extra work and overtime work circumstances that the employee who routinely or who during the normal work day, as the case may be, is assigned to operate a machine would be given preference to perform work on that machine").

32. If additional Group 6A Inspectors are required, as they will be if the Company is forced to distribute the inspection work appropriately, the Company must post the job openings throughout the bargaining unit to allow members to exercise their seniority bidding rights conferred by the transfer agreements. (Joint Exhibit #1, Article 32.)

33. The "visual sort" work assigned Assemblers is inspection work. The defects found in the circuit boards include dented chassis frames, terminals shorted together because of wire wrap, wire insulation damage, incorrect soldering, insulators missing, and incomplete shipment records, as well as missing keys,

uncoated parts, wrong parts and bad markings. (Union Exhibits #19, 20, 21, 22 & 23)

34. Examining and identifying each of the above referenced defects is the normal work of Group 6A Inspectors. The Company's instructions to the Group 38 Assemblers in the special work order (SWA) (Employer Exhibit #6) could have been lifted right out of the Group 6A Inspector's job description.

35. The Coon Rapids Transfer of Work Settlement Agreement does not allow the Company to reassign work. The Agreement does not mention receiving inspection or any other type of inspection. It pertains only to the manufacturing operations and associated support formerly done by Honeywell in its production of circuit card assemblies.

36. Paragraph "E"of the Agreement only addresses support "currently done in house and subcontracted." Because the circuit boards were previously manufactured in house, Receiving Inspectors were never involved in the process and were not a step in support of their manufacture.

37. It is conceded that repair and rework, with the subsequent inspection by Group 6A Inspectors, was an "associated support currently done in house" when Honeywell manufactured the circuit cards. It is uncontested that the Group 38 Assemblers continue to perform repair and rework on the defective Celestica boards.

38. The Company is transferring bargaining unit work to non-bargaining unit employees. As Arbitrator Roger Abrams noted, "the parties' Contract must control, even if it requires practices inconsistent with economic efficiency. In the broad form presented here by management, the argument that it has the right to reform any and all unproductive practices does not have any merit." (QUARTO NO. 4, 83 LA 415, 417 (ABRAMS, 1984)

39. The CBA provides that, "It is the Company's policy that under normal circumstances non-bargaining unit employees shall not perform the normal work of bargaining unit employees." (Employer Exhibit #1, Article 1, Section 2)

40. The computer-generated paperwork Comstock processed was part of the normal job of Group 6A receiving inspectors. By assigning Comstock these job duties, the Company violated he CBA provision against non-bargaining unit employees performing bargaining unit work.

41. The Employer must be ordered to cease the work transfer at issue and to make the affected bargaining unit members whole for their losses.

THE EMPLOYER SUPPORTS ITS CASE WITH THE FOLLOWING:

1. The grievance filed on behalf of Rose Jelinek and Ruth Penny is not arbitrable. The matter grieved involves manufacturing processes and methods, which are inherent management rights not subject to the arbitration process.
2. Even assuming arguendo that the grievance is arbitrable, the Company did not violate the CBA by assigning assembly employees to sort printed circuit cards made by a third party vendor.

3. The Company has the clear management right to assign this work and, in fact, there is a longstanding practice of assigning assembly employees to do this work.

4. When the CBA language is clear and unambiguous, it should control. If that is not the case, the arbitrator should look to other indicia of the parties' intent. (United Steelworkers of America, AFL-CIO, Local 9317 v. IMI Cornelius, Inc. , FMCS 06-52039 (2006) Kircher, Arb.).

5. In a non-disciplinary grievance such as the instant matter, the Union bears the burden of proof that the Employer has violated the CBA. (Western Area Power Administration v. IBEW Local 1959, 122 LA 577 (2006) Fitzsimmons, Arb.).

6. The matter at issue is not about "jurisdiction" as the Union contends. It is about "work assignment." It is well settled that jurisdictional disputes are between two unions or union and non-union employees.

7. "A jurisdictional dispute has been defined as either a controversy concerning whether particular work must be performed by workers in one bargaining unit as opposed to workers in another bargaining unit, or a controversy over which union should represent employees performing particular work." (ELKOURI & ELKOURI, HOW ARBITRATION WORKS. at pg 686, 6th ed. (2003).

8. The overwhelming weight of arbitration precedent recognizes that a jurisdictional fight always encompasses more than one labor union. Id. at 687.

9. The Union and Company have had legitimate jurisdictional grievances and arbitrations in the past, but this grievance involves only one Union, Teamsters Local 1145. The instant grievance is not about jurisdiction, as Local 1145 employees will perform the work whichever way the matter is decided.

10. Clearly, this grievance is about the Company's inherent right to assign work and has nothing to do with a jurisdictional dispute.

11. The grievance filed by the union is not arbitrable as it involves direction of the workforce in addition to manufacturing methods and processes, all of which are inherent management rights. Methods and processes of manufacturing are specifically excluded from the arbitration process.

12. Furthermore, any and all grievances surrounding the pattern fault sorting of circuit boards from Celestica were waived by the Union through the ACE Agreement.

13. "In cases involving interpretation of a collective bargaining agreement, the arbitrator's task is to give effect to the intent of he parties. The primary source in determining the parties' intent, often unstated, is the language of their agreement." Law Enforcement Labor Services v. City of Brooklyn Center, BMS 97-PA-372 (1997)(Jay, Arb.); Worthington Regional Hospital v. Minnesota Nurses Ass'n, 94 LA 54 (1990) (Bognanno, Arb.).

14. The grievance procedure negotiated between the Parties and contained in Article 18 of the CBA states in Section 3, "It is agreed that the following shall not constitute issues for arbitration: (a) supervision and direction of the working force, (b) schedules of production, methods and processes of manufacturing, (c) the terms of a new agreement."

15. The instant matter involves the means used to handle a pattern fault sort, which is direction of the working force and a method and process of manufacturing. The clear language of the grievance process excludes this grievance from arbitration.

16. The clear language of the Management Rights Article places the assignment of work and the control of Company operations within management's prerogative and excludes it from Union interference.

17. The Union, while in apparent disagreement over how to manage the plant operations and asserting that the Company violated its own quality policy, has cited no contract violation in its written grievance or at the arbitration hearing.

18. The Union's claim that the Company violated "Agreed Upon Job Descriptions" is specious at best. During testimony, every Union witness agreed that these job descriptions are created unilaterally by the Company and not negotiated with the Union. Just as with Company polices, job descriptions cannot be used as a basis for filing a grievance.

19. The Company's policies and job descriptions fall within the management rights language and are outside the scope of arbitration.

20. The general rule on contract language is, "If the words are plain and clear, conveying a distinct idea, there is no occasion to resort to interpretation, and

their meaning is to be derived entirely from the nature of the language used." (ELKOURI & ELKOURI, HOW ARBITRATION WORKS, 6th ed. at 434. (2003). Applying this rule to the CBA language shows this matter is not arbitrable

21. . Further, the Union signed away the right to file a grievance regarding this matter when it entered in the ACE Agreement. In exchange for nearly three million dollars to Union represented employees, the Union agreed to allow the Company to outsource the production of circuit boards along with, "The Affected Operations." Affected operations include "the associated support currently done in house and subcontracted."

22. Jim Hargreaves's undisputed testimony was that "the associated support" language included inspection work, and this was clearly understood by the Union at the time the ACE Agreement was signed.

23. The ACE Agreement includes a comprehensive waiver that prevents the hearing of the instant grievance. The Union unequivocally waived he right to grieve anything arising out of the cessation or transfer of he Affected Operations. The Union specifically waived any contractual rights arising out of the cessation of the Affected Operations and any transfer of the Affected Operations to another site.

24. The Union's apparent goal is to have the Arbitrator order the Company to return to the old batch operations method and force the Company to hire more receiving inspectors. This is something outside the scope of the Arbitrator's authority.

25. The Company could have sent the pattern fault sorting and rework back to Celestica. Instead the Company, in trying to effectively deal with the problem and maintain customer satisfaction at the same time, assigned this work to the Union represented assembly employees.

26. Creating satisfied customers is not only a Company priority; it is the best way to provide job security for Union members. The result is the instant grievance. The old axiom, "no good deed goes unpunished" is certainly applicable in this situation.

27. The Union grievance does not cite the article allegedly violated and does not even mention a violation of the CBA. Furthermore, the Company has a long-standing practice of assigning this work to assembly employees.

28. "Arbitrators generally hold that management may change duties among job classifications if they are minor tasks reasonably related to the job." United Steelworkers of America. AFL-CIO, Local 9317 v. IMI Cornelius, Inc. FMCS 06-52039 (2006) (K8ircher, Arb.) [Citations omitted].

29. Arbitrators have written, "It is an established principle that the company has the right to change processes and methods to increase efficiency; and that such a change may allow a reassignment of the work." Honeywell v. Teamsters Local 1145, B-52 (2004) Bellman, Arb.).

30. Furthermore, "If the Company makes an assignment that is not unreasonable on its face the seniority group challenging the assignment has the burden of proving that it violates either the general labor agreement or another agreement between the Company and Union." Honeywell v. Teamsters Local 1145, C-67 (1983)(Christenson, Arb.).

31. Assembly employees have been conducting pattern fault sorts for many years; even before quality checks were included in their job description. It is not just reasonably related to their job, it is their job.

32. Even if the instant matter involved reassignment of work, it is within the Company's right to do so. There is no agreement between the Company and Union that mandates inspection employees exclusively perform pattern fault sorts nor is there any agreement that prevents this work from being assigned to assembly employees. In fact, the Union has argued the opposite in the past.

33. In 1987 arbitration, the Union argued the exact opposite of the current grievance. The Union argued that the visual checking and sorting of parts rightfully belonged to assembly employees and not inspectors based on past practice and principle. Honeywell v. Teamsters, Local 1145, C-489 (1987) Christenson, Arb.) The Arbitrator agreed with the Union and awarded the work to assembly employees, writing: "There is little doubt that practice supports the Union position." Id.

34. In another arbitration between the Company and the Union, the Arbitrator agreed with the Company that conducting a visual check to determine whether or not a kit for building a circuit card is properly put together was work that belonged to assembly employees and not inspection. Honeywell v. Teamsters Local 1145, C-16 (1982) (Christenson, Arb.). The Arbitrator wrote, "It appears, however, that the checks are process control steps by which Assembly assures the quality of its own work." Id.

35. In the instant matter, there is little doubt that the long-standing practice of assembly employees performing pattern fault sorts supports the Company's position. The Pattern Fault Log clearly proves the practice has been in place for at least fourteen years and involved more than three hundred fifty pattern faults. (Employer Exhibit #7).

36. The Union's claim that the Company was "transferring" inspection work to assemblers is simply false. Pattern fault sorts have been performed by assembly employees for many years: there is no transfer of work.

37. Union Stewart, Darwin Johnson who represents inspection employees, acknowledged the longstanding practice when he testified that he had performed pattern fault sorts when he worked in assembly and did not file a grievance over the work assignment.

38. The pattern fault sorts are not inspections; they are simply part of the line flow quality control process. It involves process control steps by which assembly employees check the quality of their work. As part of the line flow process, assembly employees are constantly checking the quality of the products they produce. As a part of this process, they also perform pattern fault sorts and look for specific defects identified in the SWAs they are issued.

39. Disputes regarding work assignments in the past have been resolved according to the rules set down in a 1974 award by Arbitrator Simkin and provide guidance to the instant matter. Arbitrator Christenson recognized the value of these rules in a 1987 award when he wrote, "S-454 established certain principles for resolving these disputes that have been applied since 1973." Honeywell v. Teamsters Local 1145, (1987)(Christenson, Arb.). The basic rule adopted was one called "follow the work."

40. Follow the work means; if work is being consolidated and taken from employees in one transfer agreement at one plant and given to other employees at another, the employees from the first transfer agreement would follow their work to the other plant and become members of the second transfer agreement.

41. Arbitrator Simkin clarified this basic rule in his 1973 award, citing three conditions when "follow the work" should apply. First, when "the resulting work is so commingled that it cannot be segregated in any practical manner." Second when the "segregation of work is possible but would result in inevitable and frequent jurisdictional arguments," and Third, when the "segregation of work is possible but would cause important operating inefficiency." Honeywell v. Teamsters Local 1145, S-454 (1973)(Simkin, Arb.).

42. Applying Arbitrator Simkin's first rule to the instant matter provides helpful guidance. The pattern fault sort work performed by assemblers cannot "remain separate" as it has never been considered separate. In order to effectuate a separation, assembly employees would have to be asked to disregard the quality checks built into the line flow process and ignore observed faults in the products they are assembling. Obviously, the work is not adequately segregated to remain separate.

43. Arbitrator Simkin's second rule asks, even if the work can be segregated would such segregation result in frequent controversy? Certainly, the number of controversies would soar if assembly employees were asked to disregard and ignore faults they observe in the regular course of their work. If an assembly employee observed and reported a fault, the inspection employees could claim that they and no one else could locate faults. It would require a sufficient staff of inspectors to handle peak situations, which would mean additional non-inspection duties, would need to be assigned to justify their full time employment. Assembly employees could be expected to file the exact opposite grievance, just like they did in 1987, if pattern fault sorting work is awarded to inspection employees.

44. Arbitrator Simkin's third rule asks, even if the work can be segregated, would it cause important operation efficiency? The answer to this question is a resounding yes. Pattern fault sorting is a part of the quality control that is built into the Company's line flow production process. Asking employees to ignore observed defects would lead to absurd results, not to mention the myriad of potential adverse impacts to the business. Having assembly employees idly wait for a cadre of inspection employees to arrive and sort for defective products increase down time and add substantial cost. Such an arrangement begs the question of how long the Company would stay in business operating this way.

45. If any action were now necessary under Simkin's rules, it would be to transfer inspection employees to assembly. The fault sorting by assemblers has not impacted the three inspectors in any way; no one was laid off and none of their positions were reduced, no transfer to assembly is needed.

46. However, the Simkin "follow the work" rules do not apply in light of the ACE Agreement. The monetary payout under the ACE Agreement and waiver signed by the Union means there are no impacted employees. There is no work left for employees to follow and no employees left to follow it. As Simkin stated, there are times when the "follow the work" principle does not apply; the instant matter is one of them.

47. At the hearing, the Union, apparently realizing there is no violation of the CBA, tried unsuccessfully to broaden the grievance through the testimony of several witnesses.

48. Transfer Agreements introduced by the Union, #92 and #70 (Union Exhibits #12 & #14), have no relevance to the instant matter. Group 38 is properly covered by Transfer Agreement #48 (Joint Exhibits #5 & 6) and Group 6A is properly covered by Transfer Agreement #11 (Joint Exhibit #4 and Union Exhibit #11). Neither of these applicable agreements contains language

limiting the Company's right to assign work. In fact, they do not contain any language on work assignment.

49. It is clear the Union is trying to expand the scope of the grievance to include non-related agreements so as to shoe-horn work assignment language found in Agreements #92 and #70 into the present grievance. This tactic must fail for two reasons: (1) Agreement #92 applies to Aero Receiving Crib Inspection, which is not relevant to the instant matter involving Receiving Inspection; (2) Agreement #70 applies to Aerospace Assembly Employees and dates back to 1959. Agreement #70 has been superseded several times and replaced with new Transfer Agreement #48.

50. Of the fourteen arbitration awards intoduced by the Union at the hearing (Union Exhibit #24A-N), all but two are completely irrelevant to the instant dispute. All but two involve true jurisdictional matters, i.e. disputes between Union and non-union office and technical employees.

51. Only two of the arbitration awards introduced by the Union at the hearing (Union Exhibits #24A & 24C) could arguably have any relevancy. These two awards deal with the "follow the work" principle, but were related to facility closures and are distinguishable in that they were trying to reconcile the placement of employees moving from one facility to another.

52. As demonstrated by the record, assembly employees have performed pattern fault sorts for many years. No new employees are being inserted into the process at the Coon Rapids facility. The ACE Agreement provided compensation for any employees who could have been affected by the outsourcing of circuit board production. Thus, there are no employees to be transferred or assigned new work under the Simkin rules.

53. The grievance on behalf of Rose Jelinek and Ruth Penny should be denied. It is not arbitrable as it involves inherent management rights that are specifically excluded from arbitration. Furthermore, the Union waived any grievance rights via the ACE Agreement.

54. The Union could not even list one CBA article as having been violated. There is no CBA violation; assembly employees have been performing pattern sorts for many years. In fact this past practice was used by the Union in an attempt to support its case in an earlier arbitration.

WITNESS TESTIMONY

Union Witness, Darwin D. Johnson, testified that he is currently classified as an Electronic Troubleshooter, but previously worked in other classifications including assembler, electronics technician, and inspector.

Johnson testified that he is the overall Steward for Inspectors representing their rights at Stinson and Golden Valley.

Johnson testified that Receiving Inspection is a safety net where they check dimensions and other items to insure the product meets specifications.

Johnson testified that Group 38 Assemblers at the Coon Rapids Plant assemble and test product from outside vendors to be sure it meets standards, via visual observation, microscopes and micrometers.

Johnson testified regarding job descriptions introduced into evidence (Union Exhibits #13, 15A-C) and provided a short description of each classification, which essentially repeated the "Job Summary" information contained on the job descriptions.

Johnson testified circuit boards from the Vendor Celestica are used for assembly into black boxes – navigation devices, guidance systems for Boeing Aircraft to control pitch, roll and yaw.

Johnson testified that Honeywell has a "O" defect policy.

Johnson testified regarding Union Exhibit #25, described as a flow chart he created to illustrate the normal receiving process for parts from outside vendors before the Company established the "Certified Vendor" process.

Johnson testified regarding Union Exhibit #26, described as a flow chart he created to illustrate the receiving process for parts from outside vendors who are "Certified." The Certified Vendor process, also referred to as "Dock to Stock," cuts down on normal inspection time as incoming product bypasses receiving inspection. Under the Certified Vendor process, the vendor sends samples to confirm conformance with specifications. If samples are found to meet specifications, the product then goes in to the Dock to Stock process. This saves on inspection time. If product later fails to meet specifications, a re-inspection is done the same as initial inspection.

Johnson testified that the certification of Celestica as a Certified Vendor started in 2005 for circuit card assemblies. The circuit card assemblies go directly from receiving to the production floor where group leaders look them for possible defects. They look for missing parts, pins and obvious defects.

Johnson thinks this misses the purpose of quality control as they are looking at the product as a unit and not perfuming a full inspection. It is inspection work but not to the degree inspection should be done.

Johnson testified that there have been problems because components used have failed inspection because vendor used a lower grade when it should have been a higher grade. Also coating has been a problem. A receiving inspector would have caught this.

Johnson testified that, if a "pattern fault" is found in the circuit card assembly, production is stopped until the problem is fixed and line is purged of any faulty parts or missing parts.

Johnson testified regarding Union Exhibit #27 that he created to illustrate the procedure for "Celestica" parts. Johnson testified that this does not conform to Company policy. Inspection is primarily paper work as receiving inspectors don't see the product – it skips receiving inspection and rework inspection. A new step was added called "Total Quality Control" which includes inspection after rework.

Johnson testified regarding Union Exhibit #22, which is an "Assembly Record Card." Referencing the third page, (Special Work Authorization) Johnson testified that the part was replaced and handled correctly, even though receiving inspection was bypassed. Johnson testified that receiving inspection could find this defect.

Johnson testified regarding Union exhibit #23, which is an Advanced Non-conforming Material Report." The material did not meet specifications as paint flaked off during wash. In the Dock to Stock process, this would have required a 100% inspection but it was not done in this case.

On cross-examination, Johnson acknowledged that Honeywell operates in a market economy and it is in the Company's interest to turn out quality products.

Johnson acknowledged that the Company determines qualifications for inspectors, the quality level of products and standards and processes by which products are to be tested.

Johnson acknowledged that the job descriptions (Union Exhibits #13, 15A-C) are established by exclusively by Honeywell and are not negotiated with the Union.

Johnson acknowledged that the job description for Avionics Assembler (Union Exhibit #15A) under JOB DUITIES, Item #3, provides that the job duties include, "Set-up and performs TQC's, visual, mechanical, and electrical checks on parts, sub-assemblies and devices. Check quality of parts being run, repositions, realigns and fastens tools and fixtures. Replace broken or bent tools and makes necessary adjustments to keep machines in operation.

Johnson acknowledged that Quality Engineers write the quality specifications and they are not in the Union.
Johnson acknowledged that even when Honeywell built the circuit card assemblies itself there were defects (pattern faults) and this has always been the situation before and after the Dock to Stock policy was implemented. A pattern fault is when the same defect occurs three or more times with the same product.

Johnson acknowledged regarding Union Exhibit #22, third page, that this comes out in pattern fault situations and is issued by the Company; that employees usually find pattern faults.

On redirect, Johnson testified that Union Exhibit #15A-C does not reference assemblers doing inspection work; that the reference in Union Exhibit #15A is for assemblers to be responsible for quality control of their own work and doesn't have anything to do with inspecting incoming product.

Johnson testified that it has been the same situation where the Union has talked to the Company about job descriptions (grading) and the Company has raised the pay grade via negotiations.

Johnson testified that Inspectors are being kept out of the loop and they don't know if there are pattern faults. If the faulty products were sent back to receiving, the Inspectors could find other faults that may exist.

On cross-examination, Johnson acknowledged that assemblers are responsible for checking the work the previous assembler and that TQC goes on at every step in the manufacturing process.

Johnson acknowledged that wage inequities are only issue where Company and Union have negotiated.

Union Witness, John Veldey, now retired, testified that he was a Plant Steward in the Avionics Division and Overall Steward for Inspectors, and in 2001 was elected plant Steward for four plants. He was involved in the instant grievance and set up the step 2 meeting.

Veldey testified that the issue is about inspection work – a jurisdictional dispute. Inspection is being done by production Group 38 rather than the Receiving Inspectors.

Veldey testified that a jurisdictional grievance is people that want to change things and has written a lot of them; the Company is taking over the Union's responsibility and reassigning work to different workers.

Veldey testified that the instant matter started when the Company outsourced work and went "Dock to Stock," rather than sending incoming product through the Receiving Inspectors. The outsource vender, Celestica, went through the certification procedure in August 2005. The dock to stock procedure results in production people now doing inspection work that Receiving Inspectors were doing. Pattern fault is when several or more parts fail specifications. Company policy is that a vendor should lose its Certification (Dock to Stock) status if the Company finds pattern faults in the vendor's products. Group 38 Assemblers build parts and assemble parts supplied by vendors according to specifications.

Veldey testified in regard to Union Exhibit #11 (Assembly Inspection Transfer Agreement) that, it defines Receiving Inspectors from Group 38 Production Assemblers; Group 38 Assemblers are defined in the Group 38 job description.

Veldey testified in regard to Union Exhibit #12 (Aero Inspection Transfer Agreement) that, it defines which labor grades do what and is still in effect; it shows what parts Receiving Inspectors check. Receiving Inspectors are no longer Grade 8 and are now Grade 7.

Veldey testified in regard to Union Exhibit #14 (Aero Assembly Grading Agreement) that it describes Group 38 Assemblers.

Veldey testified that a pattern fault finding should trigger a decertification of the vendor supplying the faulty product and further product received from the vendor should be routed through Receiving Inspection.

Veldey testified that rework is given to another Assembler for visual inspection and passed on to the next worker.

Union Witness, Rose Jelinek, now retired, testified she worked as an Assembler, Line Inspector and Receiving Inspector while employed at Honeywell.

Jelinek testified regarding Union Exhibit #3A-D (Excerpts from Honeywell's web site) which provides information about Honeywell, including it focus on quality.

Jelinek testified regarding Union Exhibit #4 (Vendor Celestica's web site) which provides information about Celestica.

Jelinek testified that as a Receiving Inspector she inspected anything coming in from an outside vendor. She would check to see that the part met specifications using specification sheets, microscopes, digital micrometers and other gages.

Jelinek testified that, under the Dock to Stock process, if a part is found to have a fault it should come back to Receiving Inspection. The parts can get back on the Dock to Stock process if they are good – the whole lot. Every single part should be checked and pass – it could be 5 to 500.

Jelinek testified that Celestica parts come to inspection from stock; she doesn't inspect them.

Jelinek testified regarding Union Exhibit #10A (Procedure: Dock to Stock) that the Dock to Stock procedure was in effect when she worked here and it was followed. Not all Celestica products were on the Dock to Stock status.

Jelinek testified that Celestica bids started to arrive in 2005. Their parts did not undergo receiving inspection and were sent directly to the production floor. If anything was

wrong with them they went back to inspection with a note “inspection required,” but were not given to receiving inspection.

Jelinek testified regarding Union Exhibits #10B-C (Procedure: Dock to Stock) that Celestica parts were not given to receiving inspection when they come in. If rejected on production floor, they were sent back to inspection, then given to an ____ person and she would send parts back to Celestica. Next parts from Celestica were to go through receiving inspection but did not.

Jelinek testified that if a pattern fault was found on the production floor the circuit board assemblies did not fall off the Dock to Stock status. Assemblers on floor sent parts back. Group 38 people checked boards for all things she would do as an inspector, which was not normally an assembly job.

Jelinek testified that if a faulty part were repaired in house, it would go back to receiving inspection, except if it was from Celestica.

Jelinek testified regarding Union Exhibit #16 (Selected Lot Detail) that she created this after she inspected the part – the part came back to receiving inspection with order, “Inspection Required,” but was not processed correctly by Barb Comstock. (Employer objection to relevancy noted).

Jelinek testified regarding Union Exhibit #17 (Selected Lot Detail) that on this Celestica part there was no first Article filed – she had to go back and prepare one on the part. Barb Comstock who was not at Receiving Inspection passed it. (Employer objection to relevancy noted).

Jelinek testified regarding Union Exhibit #18 (Selected Lot Detail) that she would have held part until receiving prepared a First Article, but again Barb Comstock passed it on. (Employer objection to relevancy noted).

Jelinek testified regarding Union Exhibit #19 (IIR Detail) that no inspection was required even though the part was dented, had insulators missing and other defects. There was no inspection by receiving inspection, but by Barb Comstock, who is not in the Union. Receiving Inspection would have caught these faults. There has been an ongoing problem with Celestica boards, even now.

Jelinek testified regarding the lst page of Union Exhibit #29 (Lot Query Form) that if a part receives an “F” (fail), it is supposed to go back to receiving inspection. A fault in the part should have knocked it off Dock to Stock status, but Barb Comstock went around receiving inspection resulting in the Receiving Inspectors not getting the work.

Jelinek testified regarding Union Exhibit # 20 (Selected Lot Detail) that refers to a failing part with missing keys. This would have been found by receiving inspection if the part had come through there.

Jelinek testified that she asked management why the faulty parts were not coming through receiving inspection and then filed the instant grievance – Group 38 people told her they were doing what Group 6A, Receiving Inspectors do.

Jelinek testified that when assemblers built the circuit boards, they did not inspect them – receiving inspection checked them.

Jelinek testified that inspecting a board on both sides takes a couple hours if no defects; there are 5 to 10 boards in a lot; she assumes Celestica has sent 10,000 to 20,000 lots to Honeywell, none of which have come through receiving inspection.

On cross-examination, Jelinek acknowledged that parts from certified vendors don't go through receiving inspection once she has inspected them for the first time and says it is a good part.

Jelinek acknowledged that when she inspects a circuit board, she inspects it for everything.

Jelinek acknowledged that Dock to Stock is Company policy and is dictated by Customer Boeing.

Jelinek acknowledged that the Company makes policy and decides if it will accept a part – Company can acknowledge part is faulty, but can take the action it determines appropriate.

Jelinek acknowledged that the Company sets the standards for inspection and training.

On redirect, Jelinek testified that when a certified vendor's parts are found to be faulty on the production floor they are to be routed to inspection and were, but went on shelf and handled by Barb Comstock – don't know how it was handled after that. If the parts are returned they are to be routed through receiving inspection, but Barb Comstock's Quality Department took it over.

Jelinek testified that she saw Group 38 inspecting parts toward end of Assemblers being there – parts were in receiving with note "Inspection Required," but they were routed around inspection.

Union Witness, Ruth Penny testified that she has worked as both an Assembler and Receiving Inspector, the latter being her current job that she has held since October 2006. Penny introduced Union Exhibit #5 (Overall Union Seniority List).

Penny testified that as Receiving Inspector she checks for and records any defects on incoming parts such as screws, sub-assemblies and circuit boards. Celestica boards go to dock and then routed to production floor. She sees Celestica parts on computer screen waiting inspection, but then sees they are signed off computer – don't see actual parts.

"A/I is waiting inspection. "IIR" tells what to check. Then she inspects and puts on shelf to go to production. However, Celestica parts don't go through her.

Penny testified regarding Union Exhibit #16, page 2 (Lot Query Form) that these come up on her computer if inspection is required. She noted the part was inspected May15, 2007, but not by her. She testified that this document was generated when she was an Inspector.

Penny testified that she agreed with the testimony of the previous witness.

Penny testified that she had a conversation with a Group 38 worker who asked why they were doing Group 6A's work.

On cross-examination, Penny acknowledged that she thinks she does the same as the previous witness and the computer tells her what to inspect for.

Employer Witness, Jim Hargreaves, testified that he has been employed by Honeywell since 1977 and has held various positions including Union Officer and Supervisor. His current position is Supervisor of Production.

Hargreaves testified that the grievance (Joint Exhibit #7) should be denied because the matter at issue is in compliance with what was negotiated with the Union.

Hargreaves testified that the Company now uses a "Line Flow" process. Prior to 1990, the Company used a "Batch Operation." In "Line Flow," inspection is built into the assembly line operation. Inspection is performed in the "next" operation – the next assembler on the line inspects the work of the previous assembler.

Hargreaves testified regarding Union Exhibit #15A (Job Description: Avionics Assembler) that under "JOB DUTIES," Item #3, it specifically provides for Assemblers to do visual, mechanical and electrical checks.

Hargreaves testified that, on non-certified vendors, Receiving Inspectors certify parts, but parts from certified vendors come under the Dock to Stock policy.

Hargreaves testified regarding Union Exhibits #10A-C (Dock to Stock Procedure) that Exhibit 10A and 10B are not current Dock to Stock policy. However, Exhibit 10C is the current Dock to Stock policy.

Hargreaves testified that parts from Certified vendors go directly to production.
Hargreaves testified regarding Union Exhibit #25 (Flow Chart #1) that it represents the old "Batch Process' that has been replaced by the "Demand Flow Process" currently in use.

Hargreaves testified regarding Union Exhibit #26 (Flow Chart #2) that he agrees with the path shown.

Hargreaves testified regarding Union Exhibit #27 (Flow Chart #3) that to be correct it would have to eliminate the "Inspection" block.

Hargreaves testified that Honeywell used to make its own circuit boards but has since outsourced this to Celestica – Celestica has never been a part of Honeywell.

Hargreaves testified that prior to outsourcing it reviewed the idea with its customers. Customers have been satisfied with the transition to outsourcing.

Hargreaves testified regarding Employer Exhibit #1 (ACE Agreement) that the Union agreed the Company could outsource the work that has been reference in this proceeding and the agreement covers inspection.

Hargreaves testified that Celestica parts do not require receiving inspection and this was explained to the Union.

Hargreaves testified that Barb Comstock is a Quality Buyer and routings should have bypassed assembly entirely as a result of the ACE Agreement.

Hargreaves testified regarding Employer Exhibit #2 (ACE Agreement Severance Payments 08/04/2006) that this represents the severance package negotiated for employees under the ACE Agreement.

Hargreaves testified regarding Employer Exhibit #1 (ACE Agreement, 02/03/05) that the last page specifically contains a "Complete Agreement Waiver," wherein the Agreement is in full settlement of all issues with respect to the "Affected Operations. The Union has waived its contractual rights to grieve issues arising out of the cessation of the Affected Operations and any transfer of the Affected Operations to another site.

Hargreaves testified that the ACE Agreement applies to assembly and inspection. (The Union's objection is noted that the ACE Agreement only applies to assembly).

Hargreaves testified that where three or more faults found, it is called a "pattern fault."

Hargreaves testified that Engineering would determine the fault and correction required. Any like parts would be recalled.

Hargreaves testified regarding Employer Exhibit #3 (Pattern Fault #351) that this establishes the action plan to address the pattern fault situation including finding the root cause.

Hargreaves testified regarding Employer Exhibit #4 (Pattern Fault #PF352) that it is an example of the process for clarifying the fault problem, and finding the root cause of the problem.

Hargreaves testified regarding Employer Exhibit #4 (Procedure: Pattern Fault Procedure for Production Operations) that it is an example of an action plan for pattern fault correction. Engineers lead the Pattern Fault Team, which typically includes work sort by assembly workers and differs from inspection, which is much more detailed.

Hargreaves testified regarding Employer Exhibit #6 (Special Work Authorization Sort) that sets forth a work authorization and TQC standards for CM Circuit Card Assemblies.

Hargreaves testified that Assemblers are "Solder Certified" and qualified to sort.

Hargreaves testified that Assemblers are doing a "sort," not a "detailed inspection" as is done by Receiving Inspectors who use specialized instruments and procedures.

Hargreaves testified that Assemblers have a list of certain things to "sort" for, giving special attention to problem areas. Receiving Inspectors have a full set of specifications to work from.

Hargreaves testified that Item #1 in Employer Exhibit #6 is the minimal thing that Receiving Inspectors look for.

Hargreaves testified that pattern faults have been done for a long time and were computerized years ago.

Hargreaves testified regarding Employer Exhibit #7 (Pattern Fault Log, 03/14/93 – 03/29/07) that pattern faults have occurred for many years and have been a common occurrence both before and after the Dock to Stock policy was implemented. (The Union's objection is noted that the exhibit covers history prior to the Witnesses working experience at the Coon Rapids facility).

Hargreaves testified regarding Employer Exhibit #8 (IIR DETAIL) that this is an example of the inspection process detail and what needs to be done to make a part certified.

Hargreaves testified regarding Employer Exhibit #9 (IIR Supplier Detail) which is an example of what is to be done by Receiving Inspectors on new vendor parts (non-certified) that come through this process.

Hargreaves testified that Celestica is a certified vendor and part of the ACE Agreement. Hargreaves testified that the Coon Rapids facility has been cited as the top producer in the Avionics Division and that the Company has found and corrected faults.

Hargreaves testified that Assemblers doing part sorts are union employees and Receiving Inspectors have not lost jobs.

On cross-examination, Hargreaves testified to the following employee compliment:

Three (3) Receiving Inspector at Coon Rapids facility.
One (1) Receiving Inspector at ?
One (1) Receiving Inspector in Core Department
50 to 60 Assemblers and Technicians
Grade 7 – about 14.

Hargreaves acknowledged that Union Exhibit #26 was accurate for Certified vendor parts.

Hargreaves acknowledged that pattern fault is a defect and could cause a part to fail.

Hargreaves acknowledged that after rework a part does not go back to Honeywell Inspection and chart is not accurate.

Hargreaves acknowledged that soldering is rework.

Hargreaves acknowledged that Celestica part do not go through receiving inspection as it is covered under the ACE Agreement.

Hargreaves acknowledged that any non-certified vendor having a pattern fault goes back to receiving inspection.

Hargreaves testified that Celestica parts do not go through receiving inspection, as Celestica is responsible for inspection and re-inspection of its parts.

Hargreaves acknowledged that the ACE Agreement does not include the word inspection but clarified that he knows what the intent of the Agreement was.

On re-direct, Hargreaves testified that Union Exhibit #26 applies to non-Celestica parts.

Hargreaves testified regarding Employer Exhibit #1, Item E, that the words "The associated support currently done in house and subcontracted," cover parts inspection.

Employer Witness, Curtis LaClaire, testified that he is the Labor Relations Manger for the Company and has been employed by Honeywell since 2004.

LaClaire testified regarding Joint Exhibit #7 (Jelinek/Penny Grievance – Pg. 2 & 3) that he wrote the Employer's response to the instant grievance via a letter dated February 23, 2006.

LaClaire testified that, in his response, it was acknowledged that there had been an inconsistency in application of Company Dock to Stock policy and changes had been made, but there had been no violation of the CBA.

LaClaire testified regarding Union Exhibit #10A-C (Procedure: Dock to Stock) and the current policy is #10C and that revisions were made since meeting with the Union.

LaClaire testified that the grievance should be denied as set forth in his letter of February 23, 2006 Letter, which is included in Joint Exhibit #7 as pages 2 and 3.

(It is noted that the union objects to Employer's Exhibit #10 on the basis of relevancy)

DISCUSSION

The threshold issue to be determined is whether the matter grieved is arbitrable. The Employer has raised substantive issues of arbitrability. The Employer contends that the grievance filed on behalf of Rose Jelinek and Ruth Penny is not arbitrable because it involves manufacturing processes and methods, which are inherent management rights, not subject to arbitration.

The Employer points to language in the CBA that it contends gives the Employer the clear management right to assign the work at issue. The Employer also contends that its position is supported by a longstanding practice of assigning the disputed work to assembly workers. The Management Rights provisions of the CBA, in relevant part, read as follows:

Article 4 – Management Rights

> "Section 1. The Company retains the full and unrestricted right to assign, direct, operate and manage all manpower, facilities and equipment; to direct, plan and control Company operations and services; to establish functions and programs; to make and contract with vendors or others for good and services; to hire, recall, transfer, promote, demote, employees for good and sufficient reasons; to discipline or discharge employees for just cause; to lay off employees because of lack of work or for other legitimate reasons; to introduce new and improved operation or production methods; to set and amend budgets; to determine the utilization of technology; to establish and modify the organizational structure; to select, direct and determine the number of personnel; and to perform any inherent managerial function not specifically limited by this Agreement.
>
> Section 2. Any term and condition of employment not explicitly established by this Agreement shall remain with the Company to establish, modify, or eliminate. [Emphasis Added]

The Employer also points to language in the Grievance Procedure that it contends bars the instant grievance from being arbitrated. The provision of the Grievance Procedure, in relevant part, reads as follows:

Article 18 – Grievances

> "Section 3. It is agreed that the following shall not constitute issues for arbitration: (a) supervision and direction of the working force, (b) schedules of production, methods and processes of manufacturing, (c) the terms of a new agreement.
> [Emphasis Added]

The Employer further points to the provisions of the ACE Agreement (Employer Exhibit #1) in support of its contention that the grievance is not arbitrable. This matter will be addressed later.

The Employer argues that when CBA language is clear and unambiguous it should control. If that is not the case, the arbitrator should look to other indicia of the parties' intent.

Although the CBA language cited is clear and unambiguous on its face, the Arbitrator must also look to any history that indicates how this language has been interpreted or applied. The record shows that grievances analogous to the instant grievance have been subjected to arbitration and considered arbitrable on a number of occasions.

> One of these occasions involved a dispute, essentially on point with the instant grievance, where the Union grieved that inspection work had been improperly assigned to Assembly. The Arbitrator, finding no CBA violation, explained that the inspection checks were process control steps by which Assembly assures the quality of its own work. Teamsters Local 1145 v. Honeywell, Inc. Award No. C-16, Grievance No. 16894, (1982) (Christenson, Arb.)
>
> Another occasion where a grievance similar to the instant issue was arbitrated occurred in 1987. The Union grieved that visual checking and sorting of parts coming from a vendor was improperly assigned to Inspection and should have been assigned to Assembly. The Arbitrator, finding no CBA violation, explained that past practice supported the Unions position and Assembly should have done the work. Teamsters Local 1145 v. Honeywell, Inc., Award No. C-489, Grievance No. 21208, (1987) (Christenson, Arb.)

The record also shows other occasions where issues similar to the instant grievance issue were arbitrated. Teamsters Local 1145 v. Honeywell, Inc., Award No. S-24, Grievance No. 7708, (1970) (Simkin, Arb.) Also, Teamsters Local 1145 v. Honeywell, inc., Award S-245, Grievance Nos. 8922, 9059, 9065, (1970) (Simkin, Arb.)

Based on the above, there is sufficient evidence in the record to support a finding that the language of the CBA has been interpreted and applied to allow arbitration of grievances like that of the instant grievance. Therefore, the Arbitrator finds that the instant grievance is arbitrable based on the language of the CBA and the practice of the Parties in interpreting and applying these provisions.

A second area of inquiry is whether the language of the ACE Agreement precludes arbitrability of the instant grievance matter as the Employer contends. The question to be examined is whether there is sufficient nexus between the events giving rise to the instant grievance and the scope of issues covered by the ACE Agreement? The ACE Agreement, in relevant part, reads as follows:

Coon Rapids Transfer of Work Settlement Agreement

"This Coon Rapids Transfer of Work Settlement Agreement dated February 3, 2005 (hereinafter referred to as "Settlement Agreement"), is between Honeywell International, Inc. (hereinafter referred to as the "Company), and Teamsters Local 1145 (hereinafter referred to as the "Union"), concerning the phaseout and/or transfer to another location of certain manufacturing operations and associated support in the Company's Coon Rapids operations in Minnesota and associated work done elsewhere. The operations covered by this agreement include:

A) Circuit Card Assembly (CCA), In-Circuit-Test/Flying Probe Test and CCA Conformal Coating Processes;

E) The associated support currently done in house and subcontracted.

These operations are hereinafter collectively referred to as "Affected Operations."

The Company and Union agree as follows, without precedent or prejudice to the rights of the parties in any situation other than the phaseout and /or transfer of the Affected Operations, but with the express understanding that neither party will commence, intervene in or authorize employee to commence any legal, administrative or grievance and arbitration proceeding against the other, concerning the terms of this Settlement Agreement or concerning the phaseout and transfer of the Affected Operations. The Company, the Union and all employees will work together to provide for an orderly and permanent phaseout of the Affected Operations. **It is understood any work relocated will be done so outside the jurisdiction of the Union under the Collective Bargaining Agreement.**"

The provisions contained herein result from discussions between the Company and the Union and are based on the circumstances involved in this particular situation. It is understood this Agreement is done on a one-time non-precedent-setting basis. These provisions resolve in full the matter of rights and benefits for employees who are terminated as a result of the Agreement and its benefits shall not apply to any temporary layoffs that occur in the normal course of business, including volume-related layoffs, or to layoffs that are other wise unrelated to the permanent cessation of the Affected Operations.

The terms of the Collective Bargaining Agreement will continue to be observed except as modified by the terms of this Agreement. The Company and Union will agree to meet monthly to discuss progress on this project.

Complete Agreement; Waiver; Ratification
This Settlement Agreement sets forth the full and complete agreement between the parties with respect to the permanent phaseout and /or transfer of the Affected Operations, and this Agreement is in full settlement of all issues which were or might have been the subject of bargaining between the Company and the Union with respect to the cessation and/or transfer of the Affected Operations. Consequently, it is agreed by the Company, the Union and the employees whom the Union represents that no further bargaining will be required of the Company or Union or employees it represents. The Union, for itself and the employees it represents, specifically and unequivocally waives any and all rights, statutory or otherwise, it and they may have to bargain with the Company over the decisions and the effects of any and all decisions, now and in he future, to cease and/or transfer the Affected Operations. The Union, for itself, and the Company for itself, hereby knowingly and willingly waive, discharge and release all their statutory, common law, contractual and other rights and claims which each may have against the other arising out of the cessation of the Affected Operations and any transfer of the Affected Operations to another site.

By signing the General Release, each bargaining unit employee for himself/herself hereby knowingly and willingly waives, discharges, and releases all claims (except claims for State Unemployment or State Workers' Compensation benefits) which each may have against the Company or Union rising out of the Collective Bargaining Agreement, the employment relationship with Honeywell or the termination of the employment relationship, or the cessation of the Affected Operations or transfer of the Affected Operations to another site.
[Emphasis Added]

The record shows that the Company decided to discontinue in-house manufacture of circuit board assemblies and to purchase them from an outside vendor (Celestica). Although this was a clear exercise of the Employer's managerial rights under the CBA to "contract with vendors or others for goods and services" and " to introduce new and improved operation or production methods," the Employer and Union engaged in "impact" bargaining to address issues of how employees would be affected.

It is clear from a reading of the ACE Agreement that a primary feature of the Agreement was to provide severance pay for some 103 employees to be terminated as a result of the outsourcing decision. The record shows that the Employer provided some three million dollars in severance pay to the terminated employees (Employer Exhibit #2). According to the Agreement, the work force reductions were to take place during the second quarter of 2005 and be completed by third quarter 2006.

Although the main impact of the outsourcing was the termination of employees who had been involved in the in-house manufacture of circuit board assemblies, the Agreement also references "associated support in the Coon Rapids operations" and "the associated support currently done in house." Although the referenced "support" is not specifically identified in the Agreement, it is reasonable to conclude that inspection is among the functions that support the manufacture of products that include circuit board assemblies.

In fact, inspection (or sort) is an integral part of the circuit board assembly process. The record shows that since 1990 the Company has used a "Line Flow" process where inspection (or sort) is built into the assembly line operation. Inspection is performed in the "next operation – the next assembler on the line inspects the work of the previous assembler.[25]

The record shows that the decision to outsource the circuit board assemblies, and adopt a "Dock to Stock" policy, in effect transferred the receiving inspection functions to the vendor (Celestica). Once the vendor had established that it could produce a product that complied with the Employer's specifications, the vendor was thereafter responsible for ensuring that all products shipped were equally compliant. This arrangement facilitated expedited movement of circuit board assemblies directly from receiving to production (Dock to Stock) where the Assemblers performed prescribed inspection (or sort)[26]. If a defective circuit board assembly slipped through the vendor's inspection process, it was handled under the Employer's Total Quality Control (TQC) policy.

The record indicates implementation of the changes that were the basis for the ACE Agreement occurred between its execution (February 3,2005) and late 2006 (completion of work force reductions). [27] Vendor (Celestica) went through the certification process in August 2005.[28] The instant grievance was filed December 12, 2005[29], well within this implementation period.

The Arbitrator finds that there is nexus between the matter being grieved in the instant grievance and the "Affected Operations" set forth in the ACE Agreement. Therefore, the limits and waivers set forth in the ACE Agreement are applicable to the instant matter affecting its arbitrability. Jim Hargreaves, whose signature appears on the ACE Agreement, testified on both direct and cross-examination that the intent of the Agreement was to include inspection.

The ACE Agreement expressly provides that the Parties agreed that neither would commence any arbitration proceeding concerning the terms of the Settlement Agreement.

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[25] Testimony of Jim Hargreaves.
[26] Union Exhibit #15A. AVIONICS ASSEMBLER, JOB DUTIES: #3. Set-up and performs TQC's, visual, mechanical, and electrical checks on parts, sub-assemblies and devices. Check quality of parts being run, repositions, realigns and fastens tools and fixtures. Replace broken or bent tools and makes necessary adjustment to keep machines running.
[27] Employer Exhibit #1.
[28] Testimony of John Veledy.
[29] Union Exhibit #6/Joint Exhibit #7.

Further, that any work relocated would be done so outside the jurisdiction of the Union under the CBA.

The Parties agreed that the Agreement was in full settlement of all issues with respect to the cessation and transfer of the Affected Operations. The Parties further waived, discharged and released all contractual and other rights and claims arising out of the cessation and transfer of the Affected Operations.

Based on the above, the Arbitrator finds that the terms of the ACE Agreement preclude the Union or employees from grieving the matter at issue and it is not arbitrable.

In accordance with provisions of The CBA Grievance Procedure, Article 18, Section 2, Step 4, the Arbitrator is referring the grievance matter submitted back to the Parties, without a decision on the merits.[30]

AWARD

The arbitrator finds that the instant grievance is not arbitrable based on the terms and conditions of the Coon Rapids Transfer of Work Settlement Agreement, dated February 3, 2005

CONCLUSION

The Parties are commended on the professional and through manner with which they presented their respective cases. It has been a pleasure to be of assistance in resolving this grievance matter.

Issued this 21st day of August 2007 at Edina, Minnesota.

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ROLLAND C. TOENGES, ARBITRATOR

[30] Article 18, Grievance Procedure, Section 2, Step 4. para. 5.

> "The authority of the Arbitrator shall be limited solely to the determination of the written issue(s) as submitted by the parties, provided that the Arbitrator shall refer back to the parties without decision any matter not a grievance under Section 1 of this Article or which is excluded from arbitration by the terms of section 3, herein. The Arbitrator shall have no power to add to, or subtract from, or modify, any of the terms of this Agreement, or any agreement made supplementary hereto."